









Internal Control Findings by Company

ANSA

Assessment	Issues and Risk	Recommendations
	<p>Cash and Bank</p> <p>The Barclays bank letter includes Business Premium Account, these are no longer in use and not identified in the TB. There is a risk that cash could therefore be misstated through inappropriate use of these accounts.</p>	<p>We recommend closing these accounts if they are no longer in use.</p> <p>Management Response RESOLVED - BPA accounts have now been closed.</p>
	<p>Property, plant and equipment</p> <p>On review of the PPE register, we noted that there were items held at a negative net book value (NBV). This indicates that they have been depreciated beyond their original cost. There is therefore a risk that the entity's asset values are understated and future gains or losses on disposal will be overstated.</p>	<p>We recommend that management perform a review of their fixed asset register at frequent intervals to ensure no negative balances are held.</p> <p>Management Response RESOLVED - Revised Fixed Asset Reg reconciled and that checking procedures for this year end will ensure the error is not repeated and that the correct balances will be recognized on insourcing to CEC 1.4.2025</p>
	<p>Cash at bank</p> <p>When performing our bank reconciliation, we noted that the reconciling items on the bank reconciliation were not true reconciling items as they cleared the bank on Sunday 31st March. There is therefore a risk that cash balances are misstated at the year end.</p> <p>We do not propose any adjustments in respect of this control finding given the trivial value of the reconciling items on this occasion.</p>	<p>We recommend that management only post true reconciling items when performing bank reconciliations.</p> <p>Management Response A live check of the bank account will be performed on the 31/3/25 into the evening to ensure any late transactions are captured and coded before the AP/AR cut off.</p>

	<p>VAT</p> <p>From the testing performed during the course of our audit work, it was noted that multiple invoices dated pre year end but not yet invoiced (i.e. physically delivered) by suppliers resulted in incomplete accrued expenses and VAT recoverable.</p>	<p>This control point has been re-raised in FY24.</p> <p>Management Response</p> <p>Expenses are accrued manually/auto accrued net of VAT . VAT is not accrued as it is not an expense in the accounts. Same accounting treatment throughout CEC as in previous audits.</p>
	<p>Support for completion of performance obligations</p> <p>There is a lack of evidence that demonstrates where the entity has carried out its performance obligation for waste collection and other income. There is a risk revenue is recognised too early or when the service did not occur.</p> <ul style="list-style-type: none"> •For the avoidance of doubt, we have been able to satisfy this occurrence by performing alternative audit procedures. 	<p>This control point has been re-raised in FY24.</p> <p>Management Response</p> <p>Working Papers have been provided to evidence performance obligations that has been submitted to the auditors and will continue to be compiled for the 24-25 audit.</p>
	<p>Headcount</p> <p>While performing the audit, it was noted that the headcount report was not appropriate. We have prepared the reconciliation by opening number of employees after adjusting the impact of starters and leavers should match with the closing number of employees. However, this was not reconciling and hence we continue to raise this matter.</p>	<p>This control point has been re-raised in FY24.</p> <p>Management Response</p> <p>Monthly reconciliation procedure to ensure the Unit 4 agrees to current active employments. Ensure regular monitoring of the movement in employee numbers from the agreed totals as per prior year financial statements. This ensures movement is correctly tracked and the figure in the next year statement of accounts reconcile.</p>

Orbitas

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	<p>Support for completion of performance obligations</p> <p>There is a lack of evidence that demonstrates where the entity has carried out its performance obligation. There is a risk revenue is recognised too early or when the service did not occur.</p> <ul style="list-style-type: none"> • For the avoidance of doubt, we have been able to satisfy this occurrence by performing alternative audit procedures. 	<p>We recommend the entity having the relevant evidence to prove the performance obligation has been met.</p> <p>Management Response Working Papers have been provided to evidence performance obligations that has been submitted to the auditors and will continue to be compiled for the 24-25 audit.</p>

Assessment:



Deficiency – risk of inconsequential misstatement.



Significant deficiency – risk of significant misstatement.